



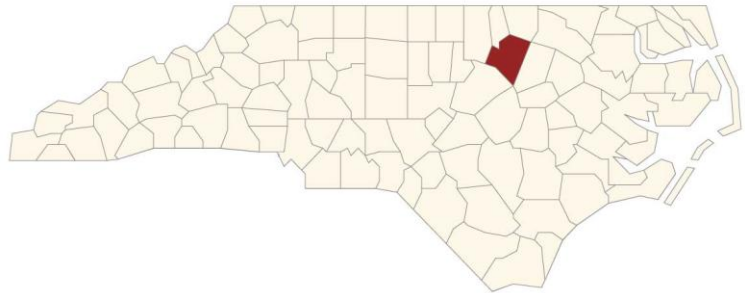
On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

American Recovery and Reinvestment Act Report, Franklin County

County received more than \$61 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the Franklin County total.



Pell Grant Awards:
570



Small Business Jobs:
60

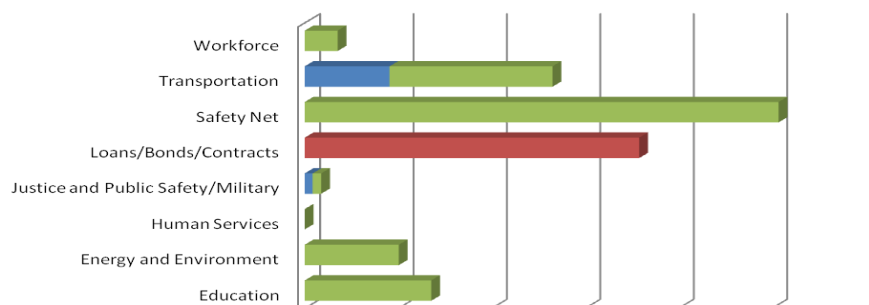


Appliances rebated:
181



Family homes financed:
91

Franklin County Totals



Sum of Prime Awards Sum of Sub-Awards Sum of Loans/Bonds

Franklin County,
pop 47,260 at a glance:

Recovery Act Totals:

Grants: \$43,941,968

Loans: \$14,306,482

Bonds: \$3,600,000

Total: \$61,848,450



The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

Franklin County schools received \$13.1 million in education funding, including \$1.8 million in Special Education funds, \$1.3 million in Title I funds, \$4.4 million in SFSF funds, \$900,000 in Race to the Top funding and a \$3.6 million bond allocation.

Pell Grants are an educational Assistance Program that provides grants to eligible students to receive post-secondary or vocational training. Because Pell Grants are not student loans, they allow students to receive financial assistance to further education and training without incurring additional debt. The American Recovery and Reinvestment Act increased the eligibility and the maximum amount of Pell Grants in 2009 and 2010 as a way to encourage educational opportunities, and to provide a way for eligible applicants to gain new job skills.

In Franklin County, Louisburg College had 571 students funded by Pell Grants; these grants were worth more than \$1 million.



The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

In Franklin County, 91 families received assistance through this program totaling more than \$12.9 million.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the

program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

Franklin County retailers sold 181 appliances through the Energy Star Appliance rebate program.



Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

In Franklin County 6 small businesses received SBA loan guarantees worth almost \$1.3 million. According to the small businesses receiving these loans, the Recovery Act saved or created 60 jobs.



Farm Assistance

The Supplemental Revenue Assistance Payments (SURE) Program is administered by the Farm Services Administration in the federal Department of Agriculture, which provides assistance to farmers suffering crop losses due to natural disasters. To qualify for the program a farm must have lost at least 10% of one crop during a natural disaster in a declared disaster county, or lost 50% of a crop during a disaster in a non-disaster county. North Carolina farmers received more than \$9 million in total payments under the ARRA-Funded SURE Program.

In Franklin County, \$10,252 was received in assistance to farmers because of crop loss to natural disasters.



CARS Program

The Car Allowance Rebate Program (CARS), more widely known as the 'Cash-for-Clunkers' program, provided an incentive for drivers of older, energy inefficient vehicles to upgrade to new cars. This program also provided a large economic impact in North Carolina, and North Carolina dealers received more than 18,000 trade-in vehicles through this program. North Carolina Car Dealers sold more than \$400,000,000 worth of new cars (recommended MSRP) through the CARS program. North Carolina drivers will save 172,130 miles per gallon through cars purchased through this program.

In Franklin County, car dealers sold 27 cars worth almost \$650,000 through the ARRA CARS program.



Justice and Public Safety Programs

ARRA increased funding to the federal Byrne Justice Assistance Grants Program (JAG). JAG funds were awarded both as a formula allocation to the State, for \$34.5 million, and grants distributed by the Governor's Crime Commission to various local governments and entities. In addition, \$21,853,798 went to 216 local governments across the state for various purposes in line with the requirements of the act. Finally, there is a federal competitive portion that was open to state or local government applicants.

In Franklin County, \$17,000 was received in JAG funds.

The COPS (Community Oriented Policing Services) awards grants to law enforcement agencies to hire and train community policing professionals, acquire and deploy cutting-edge crime-fighting technologies, and develop and test innovative policing strategies. COPS funding also provides training and technical assistance to community members and local government leaders and all levels of law. In order to help leverage the efficiency of these programs Governor Perdue set aside additional funding to help pay for uniforms and equipment for local governments who have new COPS funded positions.

In Franklin County, 3 officers were funded through COPS Grants.



Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

Franklin County residents received more than \$19.4 million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received \$3.5 million in SNAP benefit increases, and \$2.3 million in one-time payments of \$250 to social security recipients.

Franklin County Feature Story

Franklin County makes the most of ARRA opportunities

The American Recovery and Reinvestment Act placed a special emphasis on infrastructure projects as a way to immediately impact jobs in the engineering and construction sectors, and as a way to make important, lasting impact in communities. There were several mechanisms for this type of investment, additional funding for the USDA's Community Facilities program, additional funding for water and sewer programs in states, special competitive grant programs for high-demand bridge and road projects, and a historic high-speed rail program to connect large metropolitan areas, to name a few.

The Recovery Act also established several new bond programs with zero or very low interest to allow state, local, and private entities to design construction and renovation projects at the ground level where these projects would have the most impact on a local economy. These bond programs gave the green light to many long-awaited projects across the state, including the development of new libraries, hospital facilities, recreational facilities, the construction of new schools, highways, water systems, and improvements to a host of critical infrastructure. North Carolina entities used more than \$3 billion in Recovery Act bond capacity.

The Recovery Act provided \$24.8 billion in bond authority to states and local governments for school infrastructure through two primary programs: a new Qualified School Construction Bonds (QSCBs) program and the expansion of the Qualified Zone Academy Bonds (QZABs) program. These are zero-interest, tax credit bond programs to provide a significant cost savings to school districts for construction and improvements. The Qualified School Construction Bond program provides Local Education Authorities with a method of funding construction/ repair/renovation of public school facilities or for land acquisition for a public school facility.

At Louisburg High School, there were \$3.6 million in additions and renovations that were part of QSCB bonds. As part of the construction project at Louisburg High School, new facilities included a new ten-classroom building, a building for the freshman class as a way to create academic growth in teams, a new weight room for physical education and athletic use, and a new Career and Technical Education shop built to expand course offerings.



According to Jon Long, school system architect, there were approximately 150 construction workers/positions from C.T. Wilson Construction in Durham that were involved in the construction project. Franklin County Finance Officer Chuck Murray estimates that Franklin County will save approximately \$590,000 in interest over the 20-year life of the bonds.

Fred Carter, Franklin County Schools Finance Officer, stated that due to the stimulus funds received, Franklin County Schools was able to save 71 positions.

Voters in Franklin County had already approved the \$53 million in bond funds in May 2008, and were in position to take advantage of the unique opportunities for the Recovery Act Bond programs. Franklin County Schools has saved Franklin County approximately \$10 million in construction bond funds due to the timing of the bidding process.

The American Recovery and Reinvestment Act increased funding to the federal Department of Agriculture's Community Facilities program. The Community Programs provide loans, grants, and loan guarantees for a variety of community selected high-impact projects, such as water and environmental projects, as well as community facilities projects. Community facilities projects develop essential community facilities for public use in rural areas and may include hospitals, fire protection, safety, as well as many other community-based initiatives.



Franklin Community Volunteer Fire Department located in Mt. Airy, NC, received \$1.5 million in Community Facility Loans to repair and upgrade an existing building to serve as their new Fire Station.

The renovations, which included electrical, HVAC, floor covering, painting, carpentry, plumbing, paving, and garage door installations, are fully completed, putting more than 15 local tradesmen to work over the course of six months.

The building has been fully occupied and is now in service.

Appendix, Franklin County breakout

Federal Agency	Program Title	Recipient name	Recipient role ⁱ	Prime Amount ⁱⁱ	Unique Sub Awards ⁱⁱⁱ	Loans	Additional Economic Activity (not counted toward totals) ^{iv}
	Bonds		P			\$3,600,000.00	
	Cash for Clunkers		S		\$108,500.00		
	Federal Pell Grant Program	Louisburg College	P				
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$12,922,482.00	
Department of Agriculture	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$3,571,026.05		
Department of Health and Human Services	Aging Congregate Nutrition Services for States	Franklin County Department Of Aging	SV	\$0.00	\$0.00	\$0.00	
	Aging Home-Delivered Nutrition Services for States	Franklin County Department Of Aging	SV	\$0.00	\$0.00	\$0.00	
Department of Justice	Public Safety Partnership and Community Policing Grants	Franklin, County Of	P	\$430,863.00		\$0.00	\$430,863.00
	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	Franklin, County Of	S	\$0.00	\$11,814.96	\$0.00	
		Highlands, Town Of	S	\$0.00	\$5,190.00	\$0.00	
				\$0.00	\$5,190.00	\$0.00	
Department of Labor	Unemployment Insurance	Multiple Individuals	S		\$19,415,568.10		
Environmental Protection Agency	Capitalization Grants for Clean Water State Revolving Funds	Highlands, Town Of	S	\$0.00	\$3,536,660.00	\$0.00	
		Youngsville Town Hall	S	\$0.00	\$549,172.00	\$0.00	
	Capitalization Grants for Drinking Water State Revolving Funds	Franklinton, Town Of	S	\$0.00	\$311,204.00	\$0.00	
		Louisburg, Town Of	S	\$0.00	\$512,036.00	\$0.00	

Federal Highway Administration	Highway Planning and Construction	Blythe Construction, Inc.	PV	\$0.00		\$0.00	\$2,242,259.66
		North Carolina Department Of Transportation	P	\$2,072,895.00		\$0.00	\$2,072,895.00
				\$2,471,341.00		\$0.00	\$2,471,341.00
		S.T. Wooten Corporation	PV	\$0.00		\$0.00	\$1,937,346.97
Food and Nutrition Service	Child Nutrition Discretionary Grants Limited Availability	Franklin County School District Inc	S	\$0.00	\$29,056.26	\$0.00	
Idaho Operations Office	Energy Efficient Appliance Rebate Program (EEARP)		P		\$24,050.00	\$0.00	
Office of Elementary and Secondary Education	Education Technology State Grants, Recovery Act	Franklin County School District Inc	S	\$0.00	\$34,103.00	\$0.00	
	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Franklin County School District Inc	S	\$0.00	\$4,428,329.00	\$0.00	
	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Franklin County School District Inc	S	\$0.00	\$901,580.00	\$0.00	
	Title I Grants to Local Educational Agencies, Recovery Act	Franklin County School District Inc	S	\$0.00	\$1,308,732.00	\$0.00	
Office of Special Education and Rehabilitative Services	Special Education - Preschool Grants, Recovery Act	Franklin County School District Inc	S	\$0.00	\$69,360.00	\$0.00	
	Special Education Grants to States, Recovery Act	Franklin County School District Inc	S	\$0.00	\$1,763,548.00	\$0.00	
Small Business Administration	Loans	Bunn Inc	L			\$50,000.00	
		Eastcoast Packaging Inc	L			\$5,000.00	
		Heartwood Animal Hospital, Pll	L			\$255,000.00	
		IPLS Consulting, LLC	L			\$80,000.00	
		Pamela May	L			\$839,000.00	
		Pamela May DbA Acoustic	L			\$5,000.00	

		Pets A					
		Southern	L			\$150,000.00	
		Destiny					
		Enterprises,					
SSA	Social Security	Multiple	P		\$2,381,750.00		
	Economic	Individuals					
	Recovery Act						
	Payments						
Grand Total				\$4,975,099.00	\$38,966,869.37	\$17,906,482.00	\$9,154,705.63

ⁱ Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

ⁱⁱ Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to www.federalreporting.gov

ⁱⁱⁱ Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

^{iv} Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.